




STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
AGING AND DISABILITY SERVICES ADMINISTRATION
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April 29, 2009

To: ADSA Staff and Stakeholders

From: Kathy Leitch, Assistant Secretary 
Aging and Disability Services Administration

Subject: **POST LEGISLATIVE SESSION UPDATE**

With the end of the 2009 legislative session, I would like to take this time to give you an overview of the impacts on the Aging and Disability Services Administration's (ADSA) community.

This was one of the most difficult sessions I can recall. I want to thank legislative members, legislative staff, stakeholders and advocates for working with ADSA and each other with respect, professionalism, and candor as our bleak financial picture became increasingly clear. I also want to thank ADSA's employees for staying on track with their work and focusing on serving clients while almost every possible option for program changes and large budget cuts was reviewed. Strong lines of communications between ADSA staff and clients during these times of change are very important since the public often does not track the legislative process or the reasons for service changes or cutbacks.

Attached to this letter is a more detailed list of the major 2009-11 budget items. Most significantly:

- Implementation of the increased training and new long-term care worker certification requirements from Initiative 1029 are delayed one year, until 2011. The other major requirements of the Initiative are postponed to 2012. Funding was provided for infrastructure development and provider-level costs. The additional time and resources will allow the best chance for effective implementation.
- You will immediately begin to see administrative actions to implement cost reductions in home and community based care including:

- In-home personal care hour reductions of approximately four percent.
- Homecare agencies will no longer be able to assign workers to serve their own relatives.
- Base rates for Adult Family Home and Boarding Home providers will be reduced by approximately four percent.
- Funding will be reduced by approximately three percent for DDD Supported Living, Group Homes, Employment/Day Services and Individual and Family Support.
- Adult Day Health will be limited to in-home clients and transportation funding was eliminated.
- Changes on the institutional side include:
 - Nursing home rates will be reduced by approximately four percent from current levels.
 - Yakima Valley School will not be closed, but funding was provided to the Office of Financial Management for a report, due to the Legislature in November, that will provide a recommendation and a plan to eliminate 250 beds in Residential Habilitation Centers through closure or consolidations of facilities.

Beyond budget reductions there was some good news:

- Medicare Part D co-payments for people also eligible for Medicaid will continue.
- Funding was provided to move individuals with dementia from state hospitals to community long-term care settings.
- Sixty new slots were added for DDD residential/support services and 32 slots were added for community protection services.
- SSB5117 was approved and signed by the Governor which establishes intensive behavioral supports for children with developmental disabilities who are at risk of out-of-home placements. Enrollment will begin for up to 100 children in the program.
- HB2242 requires a study of what agency would best host the Long Term Care Ombudsman, Developmental Disabilities Council, as well as the DD Endowment fund, given changes in direction at the new Department of Commerce.

Looking ahead, here's where I think ADSA needs your help and input:

Continued unstable funding: No one is happy with this budget and while much of the fabric of our system has been preserved, it is certainly frayed. I want to repeat what I said at the December 23, 2008 stakeholder meeting – everything was on the table for possible cuts or in some cases elimination. I'm still not convinced that the national or state economic picture will improve in time to allow the 2010 supplemental budget process, or for that matter even the 2011-2013 biennium budget process, to be any easier. Considerable energy and political capital was invested this session in preserving the core of our system. That level of effort will need to continue as we look to the future.

Tough choices to make in order to address access and protective services workload: I have flagged for the incoming DSHS Secretary, Susan Dreyfus, the issue of workload for the staff at ADSA and Area Agencies on Aging who provide access to care, monitoring, and protective services. Due to the budget shortfall no new investments were made to address their burgeoning workload. Without improvement in caseload ratios, delays in receiving service, decreases in ability to monitor care, and Adult Protective Services backlogs will continue and intensify.

Increases in client numbers will continue as the boomers start to arrive: One of the factors that drove the complexity of this budget process was an increase of over 6,000 in the revised estimate of how many people we will serve next biennium. The cost of that increase in cases was substantial --- over \$160 million. Over the last twenty-plus years the drivers of demand for our services have been the long-standing growth in the 85+ population coupled with the increased survival rates and life span of younger people with disabilities. Now we need to add the effects from the sheer numbers of the aging boomer generation. Recently much of our caseload growth has been driven by people age 50 to 64. Our clients with developmental disabilities and their caregivers are aging as well. None of this is a surprise since it matches the state's demographics, but the planning horizon for the boomer effect has been focused on the year 2020, when most of the boomers will be over 65 and related needs will be reaching their maximum. We can't wait until 2020. It's fair to say we are seeing the leading effects already, they are significant, and they will last beyond the current fiscal crisis.

In crisis, there is an opportunity for change: As a final note, the demographically driven increased demand for services during what is likely to be a sustained period of stagnant or declining revenue is a need for us all to re-evaluate our business models and partnerships and look for new ways to continue to deliver high quality, cost-effective services.

On Tuesday, April 21, Washington was the example cited and discussed at the first national Roundtable on Health Reform sponsored by the U.S. Senate Finance Committee. Mark McClellan, who headed CMS in the Bush Administration for a time and now is at the Brookings Institution, highlighted our home and community-based service model that could save billions of dollars if implemented nationally. My goal is that we continue to lead the nation in sustaining that progress during the coming unprecedented, challenging times. The positive recognition Washington gets is based on all of your hard work. Thank you in advance for your help with the work ahead of us.